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DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Modification of Two National Customs Automation Program (NCAP) Tests Concerning Automated Commercial Environment (ACE) Document Image System (DIS) and Simplified Entry (SE)

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: General notice.

SUMMARY: This document announces U.S. Customs and Border Protection's (CBP's) plan to modify the National Customs Automation Program (NCAP) tests concerning document imaging, known as the Document Image System (DIS) test, and entry capability, known as the Simplified Entry (SE) test. The DIS test allows certain Automated Commercial Environment (ACE) participants to submit electronic images of a specific set of CBP and partner government agency forms and supporting information to CBP via a CBP- approved Electronic Data Interchange (EDI). The second phase of the DIS test expands the eligible forms supported by the test as well as participant eligibility and when forms may be transmitted. CBP hopes that these modifications make the DIS more user-friendly. The SE test simplifies the entry process by reducing the number of data elements required to obtain release for cargo transported by air. This notice modifies the SE test to allow for certain data elements to be transmitted via the DIS. This notice provides DIS test details including commencement date for the second phase, eligibility, procedural and documentation requirements, and test development and evaluation methods.

DATES: The modified DIS test will commence no earlier than [INSERT DATE OF PUBLICATION IN THE **FEDERAL REGISTER**] and will continue until concluded by way of announcement in the **Federal Register**. Comments concerning this notice and any aspect of the test may be submitted at any time during the test to the address set forth below.

ADDRESSES: Comments concerning this notice should be submitted via email to Monica Crockett at ESARinfoinbox@cbp.dhs.gov. In the subject line of your email, please indicate “Comment on Document Image System (DIS)”.

FOR FURTHER INFORMATION CONTACT: For policy-related questions, contact Monica Crockett at monica.v.crockett@cbp.dhs.gov. For technical questions related to ABI transmissions, contact your assigned client representative. Any partner government agency (PGA) interested in participating in DIS should contact Susan Dyszel at susan.dyszel@cbp.dhs.gov. Interested parties without an assigned client representative should direct their questions to Susan Maskell at susan.c.maskell@cbp.dhs.gov.

SUPPLEMENTARY INFORMATION:

Background

On April 6, 2012, U.S. Customs and Border Protection (CBP) published in the **Federal Register** a notice announcing a National Customs Automation Program (NCAP) test called the Document Image System (DIS) test. See 77 FR 20835. The DIS test allows certain Automated Commercial Environment (ACE) participants to submit electronic images of a specific set of CBP and partner government agency (PGA, previously referred to as participating government agency) forms and supporting information to CBP. Specifically, importers and brokers are allowed to submit specified official CBP documents and specified PGA forms via a CBP-

approved Electronic Data Interchange (EDI) (please see Section V, “Technical Specifications,” below for details).

On November 8, 2011, CBP published in the **Federal Register** a notice announcing an NCAP test concerning ACE Simplified Entry (SE test). See 76 FR 69755. The SE test established new entry capability to simplify the entry process for cargo transported by air by reducing the number of data elements required to obtain release. This data fulfills merchandise entry requirements which allow for earlier release decisions and more certainty for the importer in determining the logistics of cargo delivery. The SE test is currently open to Type 01 and Type 11 consumption entries filed in the air transportation mode only. This notice modifies the SE test to allow supporting documents to be transmitted through the DIS.

The NCAP was established in Subtitle B of Title VI—Customs Modernization, in the North American Free Trade Agreement Implementation Act (Pub. L. 103–182, 107 Stat. 2057, 2170, December 8, 1993) (Customs Modernization Act). See 19 U.S.C. 1411. Through NCAP, the initial thrust of customs modernization was on trade compliance and the development of ACE, the planned successor to the Automated Commercial System (ACS). ACE is an automated and electronic system for commercial trade processing which is intended to streamline business processes, facilitate growth in trade, ensure cargo security, and foster participation in global commerce, while ensuring compliance with U.S. laws and regulations and reducing costs for CBP and all of its communities of interest. The ability to meet these objectives depends on successfully modernizing CBP’s business functions and the information technology that supports those functions. CBP’s modernization efforts are accomplished through phased releases of ACE component functionality designed to introduce new functionality or to replace a specific legacy ACS function. Each release will begin with a test and will end with mandatory compliance with

the new ACE feature, thus retiring the legacy ACS function. Each release builds on previous releases and sets the foundation for subsequent releases.

ACE prototypes are tested in accordance with §101.9(b) of title 19 of the Code of Federal Regulations (19 CFR 101.9(b)), which provides for the testing of NCAP components including ACE. For the convenience of the public, a chronological listing of **Federal Register** publications detailing ACE test developments in Entry, Summary, Accounts and Revenue (ESAR) is set forth below in Section VI, entitled, “Development of ACE Prototypes.” The procedures and criteria related to participation in the prior ACE tests remain in effect unless otherwise explicitly changed by this or subsequent notices published in the **Federal Register**.

Authorization for the Test

The Customs Modernization provisions in the North American Free Trade Agreement Implementation Act provide the Commissioner of CBP with authority to conduct limited test programs or procedures designed to evaluate planned components of the NCAP. This test is authorized pursuant to § 101.9(b) of the CBP Regulations (19 CFR 101.9(b)) which provides for the testing of NCAP programs or procedures. See Treasury Decision (T.D.) 95-21.

Document Image System (DIS) Test Program

This notice announces Phase Two of the Document Image System test. Under the DIS test, parties who file entry summaries in ACE are allowed to submit specified CBP and PGA documents via a CBP-approved EDI. DIS capabilities are being delivered in multiple phases. This notice also modifies the SE test to allow supporting documents to be transmitted through the DIS.

The first phase enabled participating importers and brokers to transmit images of specified CBP and PGA forms with supporting information via a CBP- approved EDI in an Extensible Markup Language (XML) format, in lieu of conventional paper methods. DIS provides for the storage of all submitted documents in a secure centralized location for the maintenance of associations with ACE entry summary transactions. Authorized CBP and PGA users have the ability to access document images submitted by trade participants via a user interface, which allows CBP and PGA users to select specific documents for review, to change the status of documents, and to add comments based on the current state of their review. The interface also allows the document image to be downloaded or printed, if necessary.

In Phase Two, CBP is reducing the number of metadata elements required for each document to only those necessary to identify the transmitter, the document preparer, the CBP request (if applicable), the document and description, and associated transaction. Certain forms, specifically identified below, will be allowed to be submitted earlier, i.e. at the time of manifest, or transmitted via a CBP- approved EDI to support Simplified Entry (SE) filings and additional forms (listed in “Section III” of this notice) will be accepted. Transmission of annual permits, certificates, and licenses will be allowed in later stages of the test. Finally, the pool of eligible participants is expanded to include software providers merely transmitting electronically data received for transmission to CBP.

Test Participation

I. Eligibility Requirements

In Phase One of the DIS test, participation was limited to importers or brokers who are ACE entry summary filers. Phase Two of the DIS test expands the eligible participant pool to

include software providers merely transmitting electronically data received for transmission to CBP. This eligibility expansion does not apply to the SE test. Only the participants previously selected for the SE test are eligible to transmit documents in support of SE filings. Interested participants should contact their client representative for additional information pertaining to participation in this test. Interested companies that do not currently have an assigned client representative should submit a Letter of Intent expressing their intent to participate in the DIS test so that client representatives can be assigned. Instructions for the preparation of the Letter of Intent can be found on the CBP website at:

http://www.cbp.gov/xp/cgov/trade/automated/automated_systems/abi/getting_started/getting_started.xml.

II. Rules for Submitting Images in Document Image System (DIS)

The following rules will apply to all participants involved in the DIS testing process:

- The documents that may be transmitted in DIS are broken into two categories: (1) documents that require a request from CBP or the partner government agency (PGA) prior to transmission; and (2) documents that may be transmitted without prior request.
 - The documents that may only be transmitted in response to a request from CBP or a PGA include: documents in response to a request for entry summary documentation; documents in response to a request for release documentation for certified ACE entry summaries; and documents required for Simplified Entry. If a document in this category is submitted that has not been requested by CBP or a PGA, a warning message will be returned indicating that the transaction for which the document was

submitted does not have any pending document requests made by CBP or a PGA. CBP will not review or retain any document submitted that results in a warning message.

- The documents that may be transmitted without prior request from CBP or a PGA include: PGA forms and invoices/packing lists that are associated with ACE entry summaries certified for cargo release; documents transmitted at the time of manifest; and annual permits, certificates, and licenses. Any document transmitted without prior request from CBP or a PGA requires that the document name and transaction be provided at the time of transmission.
- The filer may only file documents that CBP can accept electronically (see documents supported in Section III below). If CBP cannot accept the information electronically, the filer must file the information by paper.
- Original documents transmitted via this test must be retained and made available, if requested by CBP or a PGA.

III. Documents Supported in the Second Phase of the Test

The documents supported in the first test phase continue to be supported in the second test phase (please note that Phytosanitary Certificates and Ingredients Lists were incorrectly identified as agency specific APHIS forms in the DIS test notice of April 2012; however, these are general forms that may now be transmitted at the time of manifest. See below in Section III).

In addition, upon commencement of Phase Two of the DIS test, the following PGA forms and documents will also be supported:

- Center for Disease Control and Prevention (CDC) Form 0728, Permit to Import or Transfer Etiological Agents or Vectors of Human Disease
- CDC Importation Permission Letter
- CDC Permit Exemption Letter
- Defense Contract Management Agency (DCMA) Certificate of Duty Free Entry
- Food Safety and Inspection Service (FSIS) Form 9010-1, Application for the Return of Exported Products to the United States
- FSIS Form 9060-5, Meat and Poultry Export Certificate of Wholesomeness
- FSIS Form 9540-4, Shipper Notification – Importation of Undenatured Inedible Meat Product
- FSIS Form 9540-5, Notification of Intent (to import meat, poultry, or egg products or “Samples for Laboratory Examination, Research, Evaluative Testing or Trade Show Exhibition”)

Upon commencement of Phase Two of the test, the following Phase One forms may now be transmitted via a CBP-approved EDI earlier, i.e. at the time of manifest (at the time of submission of the bill of lading, as applicable):

- Animal and Plant Health Inspection Service (APHIS) documents:
 - Plant Protection and Quarantine (PPQ) Form 368, Notice of Arrival (of a restricted article at the port of entry)
 - PPQ Form 587, Permit to Import Plants or Plant Products
 - PPQ Form 586, Application for Permit To Transit Plants and/or Plant Products, Plant Pests, and/or Associated Soil Through The United States
 - PPQ Form 203, Foreign Site Certificate of Inspection and/or Treatment

- General documents:
 - Phytosanitary Certificates
 - Ingredients List
 - Commercial Invoice
 - Packing List

In addition, the following Phase One forms and documents may now be transmitted via a CBP-approved EDI to support Simplified Entry (SE) filings. Only those participants previously accepted into the SE test are eligible to submit the documents listed in this paragraph:

- CBP Form 3229, Certificate of Origin (articles shipped from insular possessions, except Puerto Rico, to the United States)
- CBP Form 3299, Declaration for Free Entry of Unaccompanied Articles
- CBP Form 4455, Certificate of Registration
- CBP Form 4457, Certificate of Registration for Personal Effects Taken Abroad
- Commercial Invoice
- Packing List
- Passport, Driver's License, or Government Issued ID
- Permit
- Vehicle Title, Certificate
- Other documents to support CBP Form 3461, Entry/Immediate Delivery

Please be advised that Phase Two of the DIS test is limited to the above-referenced CBP and PGA forms as well as the forms supported in Phase One. Other forms may be referenced in the DIS Implementation Guidelines, but such forms are not eligible for the present DIS test.

IV. Recordkeeping

Any form or document submitted via DIS is an electronic copy of an original document that is subject to the recordkeeping requirements of 19 CFR part 163. Every form or document transmitted through DIS must be a complete, accurate and unaltered copy of the original document.

V. Technical Specifications

In Phase Two, the DIS test reduces the number of metadata elements required for each document to only those necessary to identify the transmitter, the document preparer, the CBP request (if applicable), the document and description, and associated transaction. Documents must be submitted in an XML format via Secure File Transfer Protocol (FTP), Secure Web Services, or existing EDI ABI MQ interfaces. All responses back to test participants will also be sent in the form of an XML message. Some document types may be submitted via email. There are no technical restrictions on the Multipurpose Internet Mail Extension (MIME) file types that DIS will accept; however, JPEG, GIF, PDF, MS Word Documents, and MS Excel Spreadsheets are preferred. Additional information pertaining to technical specifications (see DIS Implementation Guidelines) can be accessed on CBP.gov at the following link:

http://www.cbp.gov/xp/cgov/trade/automated/modernization/ace_edi_messages/catair_main/abi_catair/catair_chapters/document_imaging_igs/

VI. Development of ACE Prototypes

A chronological listing of **Federal Register** publications detailing ACE test developments is set forth below.

- ACE Portal Accounts and Subsequent Revision Notices: 67 FR 21800 (May 1, 2002); 70 FR 5199 (February 1, 2005); 69 FR 5360 and 69 FR 5362 (February 4, 2004); 69 FR 54302 (September 8, 2004).
- ACE System of Records Notice: 71 FR 3109 (January 19, 2006).
- Terms/Conditions for Access to the ACE Portal and Subsequent Revisions: 72 FR 27632 (May 16, 2007); 73 FR 38464 (July 7, 2008).
- ACE Non-Portal Accounts and Related Notice: 70 FR 61466 (October 24, 2005); 71 FR 15756 (March 29, 2006).
- ACE Entry Summary, Accounts and Revenue (ESAR I) Capabilities: 72 FR 59105 (October 18, 2007).
- ACE Entry Summary, Accounts and Revenue (ESAR II) Capabilities: 73 FR 50337 (August 26, 2008); 74 FR 9826 (March 6, 2009).
- ACE Entry Summary, Accounts and Revenue (ESAR III) Capabilities: 74 FR 69129 (December 30, 2009).
- ACE Entry Summary, Accounts and Revenue (ESAR IV) Capabilities: 76 FR 37136 (June 24, 2011).
- Post-Entry Amendment (PEA) Processing Test: 76 FR 37136 (June 24, 2011).
- ACE Announcement of a New Start Date for the National Customs Automation Program Test of Automated Manifest Capabilities for Ocean and Rail Carriers: 76 FR 42721 (July 19, 2011).

- ACE Simplified Entry: 76 FR 69755 (November 9, 2011).
- DIS Test: 77 FR 20835 (April 6, 2012).
- Modification of NCAP Test Regarding Reconciliation for Filing Certain Post-Importation Preferential Tariff Treatment Claims under Certain FTAs: 78 FR 27984 (May 13, 2013).

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